

STATE OF HAWAII  
STATE PROCUREMENT OFFICE  
HONOLULU, HAWAII

Legal Ad Date: March 24, 1998

REQUEST FOR PROPOSALS

NO. RFP-98-138-O

SEALED PROPOSALS AND PRICING

FOR

SERVICES TO RE-ENGINEER  
THE DISABILITY COMPENSATION INFORMATION SYSTEM (DCIS) FOR THE  
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS

will be received up to and opened at 2:00 p.m. (HST)

on

April 24, 1998

in the State Procurement Office, Kalanimoku Building, 1151  
Punchbowl Street, Room 416, Honolulu, Hawaii 96813.

Questions relating to this bid solicitation may be  
directed to Ms. Caroldynne Yamashita, telephone (808) 586-  
0566, facsimile (808) 586-0570.

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ROBERT J. GOVERNS, CPPB  
Procurement Officer

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## SECTION ONE

### INTRODUCTION AND TIMETABLE

#### 1.01 INTRODUCTION

The State of Hawaii, Department of Labor and Industrial Relations (DLIR), desires to contract with a qualified organization to develop and implement modifications to its current Disability Compensation Information System (DCIS).

#### 1.02 CONTRACT TERM AND WORK SCHEDULE

The contract term and work schedule set out herein represent the State's best estimate of the schedule that will be followed. If a component of this schedule is delayed, such as the opening date, the rest of the schedule will likely be shifted by the same number of days.

The length of the contract will be from the official commencement date specified on the Notice to Proceed, approximately June 1, 1998, for approximately nineteen (19) months until completion, approximately December 31, 1999.

The approximate schedule for this Request for Proposals (RFP) is as follows:

Advertisement of Request for Proposals and RFP Issue Date	March 24, 1998
Pre-Proposal Conference	April 2, 1998
Deadline to Submit Written Questions	April 9, 1998
Response to Written Questions	April 17, 1998
Proposal Due and Opened	April 24, 1998
Proposal Evaluations	April 24-May 4, 1998
Designation of Top 3 Priority-Listed Offerors	May 4, 1998
Discussion with Priority-Listed Offerors, if applicable	May 5-May 11, 1998
Best and Final Offers Due, if necessary	May 15, 1998
Evaluation of Best and Final Offers	May 18-22, 1998
Issuance of Notice of Award	May 26, 1998
Contract Start Date	June 1, 1998
Project to be completed	December 31, 1999

Contract start date	Official commencement date specified on the Notice to Proceed
Meeting with Disability Compensation personnel	7 days from contract start date
Draft DCIS modification plan	No later than 4 months from contract start date
Final DCIS modification plan	No later than 6 months from contract start date
Implementation of DCIS modified plan	No later than 18 months from contract start date
Follow-up and evaluation period	No later than 24 months from contract start date

#### 1.02 PROPOSAL CONFERENCE

A preproposal conference will be held on Thursday, April 2, 1998. The purpose of the conference is to provide offerors an opportunity to attend a briefing presented by Mr. Royden Koito, Program Support Chief, and Mr. Gary Hamada, Administrator. In addition, offerors will have the opportunity to submit written questions concerning the requirements of this Request for Proposal (RFP).

State government's replies to offeror's questions will be recognized as official only if the offeror submits the questions in writing, is provided a written reply by the State Procurement Office, and such questions and answers are made a part of the RFP by addendum. Offerors are specifically cautioned that verbal discussions, questions and replies thereto, shall not have the effect of changing the provisions of the written RFP. OFFERORS ARE ENCOURAGED TO SUBMIT WRITTEN QUESTIONS IN ADVANCE OF THE SCHEDULED PREPROPOSAL CONFERENCE TO EITHER OF THE INDIVIDUALS BELOW. Replies will be provided during or subsequent to the conference.

The preproposal conference will be held as follows:

Date: Thursday, April 2, 1998  
Time: 8:00 a.m. to 11:00 a.m.  
Place: Keelikolani Building  
Room 314  
830 Punchbowl Street  
Honolulu, HI 96813

Offerors are to submit written questions to:

Gary Hamada, Administrator  
Disability Compensation Division  
Department of Labor and Industrial Relations  
830 Punchbowl Street, Room 211  
Honolulu, HI 96813  
Telephone: 808/586-9151  
Facsimile: 808/586-9219

Royden Koito, Program Support Chief  
Disability Compensation Division  
Department of Labor and Industrial Relations  
830 Punchbowl Street, Room 211  
Honolulu, HI 96813  
Telephone: 808/586-9151  
Facsimile: 808/586-9219

## SECTION TWO

### BACKGROUND AND PURPOSE

#### 2.01 BACKGROUND

The 1997 Legislature appropriated \$1,116,024 to be used by the DLIR to re-engineer the Disability Compensation Information System (DCIS).

#### 2.01 PURPOSE

The purpose of this re-engineering project is to enable the Disability Compensation Division to more efficiently process workers' compensation claims and service claimants, employers and health care providers. The scope of this project includes:

- a. improving the workers' compensation claims and insurance reporting system to enable electronic data input;
- b. improving the data and information system; and
- c. improving the data and information received and allowing the generation of management reports and information.

### SECTION THREE

#### SPECIFICATIONS FOR RE-ENGINEERING THE DISABILITY COMPENSATION INFORMATION SYSTEM

- 3.01 The Contractor shall include the following elements in the development and implementation of the re-engineering of the Disability Compensation Division's (DCD) Information System (DCIS)
- a. Develop electronic data input processes to reduce keypunching requirements for WC-1 First Injury Report, WC-2 Medical Report, WC-3 Cost Reporting, Workers' Compensation insurance coverage information, and other reports as appropriate.
  - b. Improve the case information and case tracking system to eliminate the need to research physical case files for information and to be able to service at least 70% of public inquiries. Areas of improvement include case log entries which facilitate the determination of case status and location, chronological single entries in case logs, and variable text entries when not a single entry automatic posting to case log. Other improvements are cited below.
    - 1. WC-1 error/reason request
    - 2. WC-3 error/reason request
    - 3. Claim denied
    - 4. Claim accepted
    - 5. Denied claim accepted
    - 6. IME (DR) received
    - 7. Attorney fee requested
    - 8. Attorney fee approved
    - 9. Decision date
    - 10. Settlement date
    - 11. Ready hearing
    - 12. Hearing date
    - 13. Hearing postponed/reason
    - 14. Hearing canceled/reason
    - 15. Investigator action
    - 16. Case closed date
    - 17. File to record center
  - c. Eliminate edit checks which inhibit timely processing of information. Data such as claimant name, Social Security Number, date of accident, employer name, Department of Labor number, and insurance carrier are critical fields and must be accurate. Identify soft errors in non-critical field which should be identified but which should not prevent acceptance of other data fields.

- d. Eliminate redundant and unnecessary validation processes. For example, once a carrier is identified to a specific case it is not necessary to revalidate the insurance coverage in the employer file matching the date of injury with the carrier at the time of injury. WC-3 insurance coverage checks matching the carrier ID on the WC3 to the carrier in the employer file is not required once the carrier ID is indicated in the case file. For case files with multiple carriers making payments, eg. Special Compensation Fund payments, there is no need to change the carrier on the case file and the carrier override (SCF 1998) should be allowed.
- e. Develop a program to improve the hearings process to facilitate the adjudication of cases from scheduling of hearing to final issuance of the decision. Actions for improvement include:
  - 1. Develop a hearings scheduling program which deconflicts attending parties, provides a schedule of hearings by hearings officer, and automatically prints notices of hearings and cancellation notices to parties.
  - 2. Develop a tracking system that provides each hearings officer with a chronological listing of hearings for which decisions have not been issued. This listing should also indicate waiver of 60-day mandate.
  - 3. Modify or eliminate the DFU screens if possible. If DFU process must be kept, allow scrolling through screens. Eliminate or minimize duplication of entries.
  - 4. Provide for automatic posting to case log of key events such as notice of hearing date, hearings date/time/hearings officer/hearings room number, and decision date.
  - 5. Improve table files and soft-coded information for insurance carriers, attorneys, and other parties to a workers' compensation case. (List of hard- and soft-coded information are available from the Disability Compensation Division - Royden Koito @ 586-9151).
  - 6. Consider consolidation of DECMT, DECIMT, and DECPMT screens.
- f. Improve the claimant and case files. Actions for improvement include:
  - 1. Determine need for claimant (SSN file) file if the data must be validated anyway.
  - 2. Determine need for case file labels.
  - 3. Allow cases rolled to history to be restored to active file.
  - 4. Indicate % of PPD awarded and part of body, also left of right part of body (INJMT).



5. Determine feasibility of consolidating AWDMT, WC3MT, and LOGMT screens.
  6. Determine if claimant case listing can be put on one page.
  7. Expand SIC field to six digits.
- g. Allow rolling inactive employer files to history
  - h. Improve mechanics to move throughout DCIS screens. Actions for improvement include:
    1. Develop a system to utilize function keys rather than having to type in report ID.
    2. Enable previous screen access versus having to input previous screen ID.
  - i. Develop data retrieval system which provides management with reports and information access capabilities without going through an S-1 process with ICSD.
  - j. Modify on-line screens per user-group requests. (List or screens available from the Disability Compensation Division - Royden Koito @ 586-9151).
  - k. Improve the automated letter- and report-generated system. (List of letters, reports and labels are available from the Disability Compensation Division - Royden Koito @ 586-9151).
- 3.02 The contractor shall utilize SDM/structured methodology and documentation to include screen modifications and a user manual. If the offeror plans to use a methodology other than SDM/structured for work described herein, a written request must be submitted with the proposal.

Following implementation of the enhancements into the DCIS, the contractor shall provide two paper copies and a computer disk of the final products.

SECTION FOUR  
PROPOSAL FORMAT AND CONTENT

4.01 INTRODUCTION

- a. Proposals must include the complete name and address of offeror's firm and the name, mailing address, and telephone number of the person the State should contact regarding offeror's proposal.
- b. Proposals must include the completed and signed Offer Form page OF-1, Refer to SECTION SEVEN.
- c. Failure to include these items in offeror's proposal may be cause for the proposal to be determined non-responsive and rejected.

4.02 EXPERIENCE AND QUALIFICATIONS

Offeror shall provide:

- a. A description of the offeror's experience, as well as the experience of the individuals to be assigned to the project.
- b. A personnel roster that identifies each person who will actually work on the contract and provide the following information about each person listed:
  - (1) Title
  - (2) Resume
  - (3) Location(s) where work will be performed
  - (4) Itemize the total cost and the number of estimated hours on the project for each individual named above.
- c. At least two reference names and phone numbers for similar projects offeror has completed in the past.

4.03 ADDITIONAL DATA

Offeror shall provide any additional information that will aid in evaluation of the proposals submitted. Refer to SECTION SIX.

4.04 COST PROPOSAL

Offeror shall provide on Offer Form page OF-2 (SECTION SEVEN) the total price or cost of their proposal for the services, including a general breakdown of how it was computed. The cost is not to exceed \$250,000.

#### 4.05 EVALUATION CRITERIA

Each proposal will be reviewed to determine its responsiveness. Evaluation criteria will be used as specified in SECTION SIX.

## SECTION FIVE

### SPECIAL PROVISIONS

#### 5.01 SCOPE

Development of modifications to the Disability Compensation Information System (DCIS) for the Department of Labor and Industrial Relations shall be in accordance with these Special Provisions, the attached Specifications (SECTION THREE), and the General Terms and Conditions dated September 1, 1995 included by reference and made a part hereof. Copies of the General Terms and Conditions are available at the State Procurement Office, 1151 Punchbowl Street, Room 416, Honolulu, Hawaii 96813 and on the internet at <http://www.state.hi.us>.

#### 5.02 CONTRACT ADMINISTRATOR

For purposes of this contract, Mr. Gary Hamada, Administrator of the Disability Compensation Division, telephone (808) 586-9151 is designated Contract Administrator. Questions on the services shall be referred to Mr. Royden Koito, telephone (808) 586-9151.

#### 5.03 PROPOSAL PREPARATION

- a. Original Bid and Copies to be Submitted. One (1) original and three (3) copies of each proposal should be submitted on forms and in the format specified in the Request for Proposal (RFP). The original shall be clearly marked "ORIGINAL." The material should be in sequence and related to the RFP. The State will not provide the offeror any reimbursement for the cost of developing or presenting proposals in response to this RFP.
- b. Offer Form, Page OF-1. Offeror is requested to submit its offer using offeror's exact legal name as registered with the Department of Commerce and Consumer Affairs, if applicable; and to indicate exact legal name in the appropriate space on Offer Form, page OF-1. Failure to do so may delay proper execution of the contract.

Offeror's authorized signature shall be an original signature in ink. If Offer Form, page OF-1, is unsigned or the affixed signature is a facsimile or a photocopy, the offer shall be automatically rejected unless accompanied by other material, containing an original signature indicating the offeror's intent to be bound.

- c. Offer Guaranty. An offer guaranty is not required for this RFP. Any reference to offer guaranties in the

General Terms and Conditions, including sample forms, is not applicable to this RFP.

- d. Tax Liability. Work to be performed under this contract is a business activity taxable under Chapter 237, Hawaii Revised Statutes (HRS), and Chapter 238, HRS, where applicable. Both out-of-state and Hawaii contractors are advised that the gross receipts derived from this solicitation are subject to the general excise tax imposed by Chapter 237, HRS, at the current rate of 4%, and where applicable to tangible property imported into the State of Hawaii for resale, subject to the 1/2% use tax imposed by Chapter 28, HRS.

The tax equalization provision of Section 103-53.5, HRS, will not apply to the evaluation of this bid. Refer to 3.1A of the General Conditions.

- e. Hawaii General Excise Tax License. In accordance with Section 3.1A of the General Terms and Conditions, offeror shall submit his/her current Hawaii General Excise Tax I.D. number in the space provided on Offer Form page OF-1.
- f. Wage Certificate. Refer to Section 2.8 of the General Conditions. Offerors shall complete and submit the attached wage certification by which offeror certifies that the services required will be performed pursuant to Section 103-55, HRS. Only Item No. 2 of the wage certificate is applicable to this RFP. There are no comparable positions in the public sector that performs similar work as specified herein.
- g. Tax Clearance. An **original or certified copy** of a tax clearance certificate issued by the Hawaii State Department of Taxation (DOTAX) and the Internal Revenue Service (IRS) must be submitted with offeror's sealed offer by the due date and time.

The tax clearances from DOTAX and IRS shall be obtained on the attached one-page, two-sided **Tax Clearance Application (Form A-6, Rev.1998)** which is accompanied by Instructions that offerors should carefully read. Effective March 1, 1998, only this revised Form A-6 will be accepted by DOTAX and IRS.

Out-of-state offerors should mail their application to DOTAX's Oahu District Office.

Effective 12/1/97 tax clearance certificates are valid for a **six-month** (not 180 day) period beginning on the later dated DOTAX or IRS approval stamp. For example, a 12/15/97 certificate is valid through 6/15/97.

The tax clearance submitted with the sealed offer must be valid on the solicitation's legal ad date or any date thereafter up to the offer due date. A valid tax clearance received with the offer will remain valid for the contract award.

**For the purpose of this solicitation the State Procurement Office will accept the attached completed SPO Form TEMP B, "Certification for Tax Clearance" in place of the DOTAX Form A-6 (Rev.1998), if offeror is unable to obtain a tax clearance certificate in time for submittal with the sealed offer. However, the successful offeror is required to submit a tax clearance certificate prior to award.**

NOTE: The above tax clearance requirement is in addition to the existing requirement for final payment. Refer to the special provisions on INVOICING below for information on the tax clearance requirement for final payment.

- h. Pricing. Pricing shall include labor, material, equipment, all applicable taxes, and any other costs incurred to provide services specified herein. Prices shall be the all-inclusive cost to the State and no other costs will be honored.

Offerors are advised that an award for the services may not be made due to funds limitations.

#### 5.04 REQUIRED REVIEW AND QUESTIONS

Offeror shall carefully review this solicitation for defects and questionable or objectionable matter. Comments concerning defects and objectionable material must be made in writing and received by the State Procurement Office, Kalanimoku Building, 1151 Punchbowl Street, Room 416, Honolulu, Hawaii 96813, by the date listed in Section 1.02 Contract Term and Work Schedule, or as amended. This will allow issuance of any necessary addendums. It will also help prevent the opening of a defective solicitation and exposure of offeror's proposal upon which award could not be made.

All questions must be submitted in writing, via mail or facsimile, by the date listed in Section 1.02 Contract Term and Work Schedule, or as amended, and shall be directed to:

Carolynne Yamashita  
State of Hawaii  
State Procurement Office  
Kalanimoku Building  
1151 Punchbowl Street, Room 416  
Honolulu, HI 96813

Phone: (808) 586-0566  
Fax: (808) 586-0570

#### 5.05 STATE NOT RESPONSIBLE FOR PREPARATION COST

The offeror assumes sole responsibility for all costs associated with the preparation, submittal, or evaluation of the proposal in response to this RFP. The State of Hawaii will not reimburse the offeror for any cost relating to the proposal preparation.

#### 5.06 CANCELLATION OF RFP AND PROPOSAL REJECTION

The State reserves the right to cancel this RFP and to reject any and all proposals in whole or in part when it is determined to be in the best interest of the State.

#### 5.07 RFP AMENDMENTS

The State reserves the right to amend this RFP at any time prior to the deadline for submission of best and final offers.

#### 5.08 PROPOSAL OPENING

Proposals shall be received by the date and time specified in Section 1.02 Contract Term and Work Schedule or as amended by addendum. The proposal opening will not be opened to the public. Proposals will not be subject to public inspection until after contract is signed by all parties.

All proposals and material other than the work samples submitted by offerors become the property of the State and may be returned only the State's option. Offerors' work samples will be returned to offerors.

#### 5.09 EVALUATION OF PROPOSALS

The proposal submitted will be evaluated by an evaluation committee made up of the Contract Administrator and at least two State employees. Proposals will be evaluated to determine those that are acceptable, potentially acceptable, or unacceptable. Best and final offers shall be allowed when applicable. The evaluation will be based solely on the evaluation factors set out in SECTION SIX of this RFP.

Discussions may be conducted with offerors who submit proposals determined to be acceptable and potentially acceptable of being selected for award, but proposals may be accepted without such discussions.

#### 5.10 COST AND PRICING DATA

Upon request by the Contract Administrator, pursuant to Subchapter 15, Chapter 3-122, HAR, the Contractor shall submit an itemized list of all direct and indirect costs associated with the performance of this contract, including but not limited to, total number of hours at various hourly rates, direct expenses, payroll, supplies, overhead assigned to each person working on the project, percentage of each person's time devoted to the project, and profit.

#### 5.11 CONTRACT NEGOTIATIONS

After completion of the evaluation, including any discussions held with offerors during the evaluation, the State may elect to initiate contract negotiations. The option of whether or not to initiate contract negotiations rests solely with the State. If the State elects to initiate contract negotiations, these negotiations cannot involve changes in the State's requirements or the Contractor's proposal which would, by their nature, affect the basis of the source selection and the competition previously conducted. Offerors from outside the State of Hawaii shall be responsible for their travel, per diem and any other expenses incurred.

The State reserves the right to use any of the ideas presented in any response to this RFP. Selection or rejection of a proposal does not affect this right.

If contract negotiations are unsuccessful with the apparently successful offeror, the State may either cancel the RFP or negotiate with the offeror who submitted the next best proposal.



#### 5.12 CONTRACT EXECUTION AND TERM OF CONTRACT

Successful offeror receiving award of \$25,000 or more shall be required to enter into a formal written firm fixed price contract. No performance or payment bond is required for this contract. Upon execution of the contract, a Notice to Proceed will be issued. The term of the resultant contract shall commence on the date indicated on the Notice to Proceed. The services shall be completed within nineteen (19) months from receipt of the Notice to Proceed or as allowed by the Contract Administrator.

No work is to be undertaken by the Contractor prior to the commencement date specified on the Notice to Proceed. The State of Hawaii is not liable for any work, contract, costs, expenses, loss of profits, or any damages whatsoever incurred by the Contractor prior to the official starting date.

#### 5.13 Contract Administrator

Contractor shall send an original and three (3) copies of an invoice to:

Department of Labor and Industrial Relations  
Disability Compensation Division  
830 Punchbowl Street, Room 211  
Honolulu, HI 96813

#### 5.14 PROPOSED PAYMENT PROCEDURES

The State will make payments based on a negotiated payment schedule. Each billing must consist of separate invoices and deliverables related to the project. No payment will be made until the deliverable(s) and invoice have been approved by the Contract Administrator.

#### 5.15 PAYMENT

Section 103-10, HRS, provides that the State shall have thirty (30) calendar days from receipt of invoice or satisfactory delivery of goods or performance of services to make payment. For this reason, the State will reject any offer submitted with condition requiring payment within a shorter period. Further, the State will reject any bid submitted with a condition requiring interest payments greater than that allowed by Section 103-10, HRS, as amended.

The State will not recognize any requirement established by the Contractor and communicated to the State after award of the contract, which requires payment within a shorter period, or interest payment not in conformance with statute.

#### 5.16 CONTRACT MODIFICATION

The contract may be modified upon mutual agreement by written document signed by an authorized Contractor representative and the State Procurement Office.

#### 5.17 RE-EXECUTION OF WORK

The contractor shall re-execute any work that fails to conform to the requirements of the contract that appears during the course of the work and shall immediately remedy any defects due to faulty workmanship by the Contractor.

#### 5.18 DEFAULT AND REMEDIES

Any of the following events shall constitute cause for the State Procurement Office to declare the Contractor in default of the contract:

1. Non performance of contractual requirements;
2. A substantial breach of any term or condition of this contract.

The state shall issue a written notice of default and the Contractor shall have an opportunity to (cure) remedy the condition within ten (10) days or any longer period specified in writing by the Procurement Officer. Time allowed for cure shall not diminish or eliminate Contractor's liability for liquidated or other damages. If the default remains, after Contractor has been provided the opportunity to cure, the State may do one or more of the following, but not limited to the following:

1. Exercise any remedy provide by law;
2. Terminate the contract and any related contracts or portions thereof;
3. Impose liquidated damages at the sum of TWENTY-FIVE DOLLARS (\$25.00) per day for delay of the Contractor in performing in whole or in part any of its obligations hereunder, or for nonperformance of the provisions of the contract;
4. Suspend Contractor from bidding on future solicitations pursuant to Chapter 3-126, Hawaii Administrative Rules (HAR).

5. Purchase in the open market, a corresponding quantity of the services specified herein and to deduct from any moneys due or that may thereafter become due the Contractor, the difference between the price named in the contract and the actual cost thereof to the State. In case any moneys due the Contractor is insufficient for said purpose, the Contractor shall pay the difference upon demand by the State.

#### 5.19 CONFIDENTIAL INFORMATION

If a person believes that any portion of his proposal, offer, specification, protest or correspondence contains information that should be withheld, then the Procurement Officer shall be so advised in writing and shall be provided with written justification for the confidentiality of the information. Further, the material designated as confidential shall be readily separable from the proposal. Price is not confidential and will not be withheld.

If a person requests to inspect the information designated as confidential, the head of the purchasing agency or designee shall consult with the Attorney General and make a written determination in accordance with Chapter 92F, HRS, pursuant to Section 3-122-59, HAR. If the request for confidentiality is denied, such information shall be disclosed as public information, unless the person appeals the denial to the Office of Information Practices in accordance with Section 92F-42(12), HRS.

#### 5.20 PROPOSAL AS A PART OF THE CONTRACT

Part or all of this RFP and the successful proposal may be incorporated into the contract.

#### 5.21 ADDITIONS AND EXCEPTIONS TO THE GENERAL TERMS AND CONDITIONS

Approvals. Any agreement arising out of this offer is subject to the approval of the Department of the Attorney General as to form, and to all further approvals, including the approval of the Governor, required by statute, regulation, rule, order, or other directive.

Cancellation of Solicitations and Rejection of Offers. The solicitation may be cancelled or the offers may be rejected, in whole or in part, when in the best interest of the purchasing agency, as provided in Sections 3-122-95 through 3-122-97, Hawaii Administrative Rules.

Provisions from the General Terms and Conditions Not Applicable. Sections 2.11 and 2.14 of the General Terms and Conditions which apply specifically to the Request for Proposals method of source selection are not applicable to Invitation for Bids. Also Sections 2.10 and 2.13 which apply specifically to the Invitation for Bids method of source selection are not applicable to Requests for Proposals.

Records Retention. The Contractor and any subcontractors shall maintain the books and records that relate to the Agreement and any cost or pricing data for three (3) years from the date of final payment under the Agreement.

Preparation of Offer. General Terms and Conditions Section 2.5, paragraph four, is rescinded and replaced with the following:

"An offeror may submit only one offer in response to a solicitation. If an offeror submits more than one offer in response to a solicitation, then all such offers shall be rejected. Similarly, an offeror may submit only one offer for each line item (if any) of a solicitation. If an offeror submits more than one offer per line item, then all offers for that line item shall be rejected."

Preference for Hawaii Products. General Terms and Conditions Section 3.1(B), paragraphs one and two only are rescinded and replaced with the following: "A purchasing agency shall review all specifications in a bid or proposal for purchase from the Hawaii products list where these products are available; provided that the products: Meet the minimum specifications and the selling price f.o.b. jobsite; unloaded, including applicable general excise tax and use tax, does not exceed the lowest delivered price in Hawaii f.o.b. jobsite; and unloaded, including applicable general excise tax and use tax, does not exceed the lowest delivered price of a similar non-Hawaii product by more than: three per cent where class I Hawaii products are involved; five per cent where class II Hawaii products are involved; or ten per cent where class III Hawaii products are involved.

All persons submitting bids or proposals to claim Hawaii products preference shall designate in their bids which individual product and its price is to be supplied as a Hawaii product.

Where a bid or proposal contains both Hawaii and non-Hawaii products, then for the purpose of selecting the lowest bid or purchase price only, the price bid or offered for a Hawaii product item shall be decreased by subtracting therefrom: three per cent, five per cent, or ten per cent for the class I, class II, or class III Hawaii product items bid or offered, respectively. The lowest total bid or

proposal, taking the preference into consideration, shall be awarded the contract unless the bid or offer provides for additional award criteria. The contract amount of any contract awarded, however, shall be the amount of the bid or price offered, exclusive of the preferences."

Printing Preference. General Terms and Conditions Section 3.1(C), paragraphs one and two are rescinded and replaced with the following: "All bids or proposals submitted for a printing, binding, or stationery contract in which all work will be performed in-state, including all preparatory work, presswork, bindery work, and any other production-related work shall received a fifteen per cent preference for purposes of bid or proposal evaluation.

Where bids or proposals are for work performed in-state and out-of-state, then for the purpose of selecting the lowest bid or evaluating proposals submitted only, the amount bid or proposed for work performed out-of-state shall be increased by fifteen per cent. The lowest total offer, taking the preference into consideration, shall be awarded the contract unless the solicitation provides for additional award criteria. The contract amount awarded, however, shall be the amount of the price offered, exclusive of the preference."

Bond Forms. The bond forms, Exhibits B through H, are replaced by the forms issued by the Procurement Policy Board Directive No. 1997-01, dated November 12, 1997, included herein by reference and made a part hereof. Copies of the bond forms are available at the State Procurement Office, 1151 Punchbowl Street, Room 416, Honolulu, Hawaii 96813.

#### 5.22 CONTRACT PERSONNEL

Any change of the project team members named in the proposal must be approved, in advance and in writing, by the Contract Administrator. Personnel changes that are not approved by the State may be grounds for the State to terminate the contract.

#### 5.23 INSPECTION & MODIFICATION - REIMBURSEMENT FOR UNACCEPTABLE DELIVERABLES

The Contractor is responsible for the completion of all work set out in the contract. All work is subject to inspection, evaluation, and approval by the Contract Administrator. The State may employ all reasonable means to ensure that the work is progressing and being performed in compliance with the contract. Should the Contract Administrator determine that corrections or modifications are necessary in order to accomplish its intent, the Contract Administrator may direct the contractor to make such changes. The Contract Administrator will not unreasonably withhold such changes.

Substantial failure of the Contractor to perform the contract may cause the State to terminate the contract. In this event, the State may require the Contractor to reimburse monies paid (based on the identified portion of unacceptable work received) and may seek associated damages.

#### 5.24 CONTRACT CHANGES - UNANTICIPATED AMENDMENTS

During the course of this contract, the Contractor may be required to perform additional work, which will be within the general scope of the initial contract. When additional work is required, the Contract Administrator will provide the Contractor a written description of the additional work and request the Contractor to submit a firm time schedule for accomplishing the additional work and a firm price for the additional work. The Contract Administrator may request that cost and pricing data be provided to justify the cost of such amendments, pursuant to Subchapter 15, Chapter 3-122, HAR.

The Contractor will not commence additional work until the Contract Administrator, pursuant to Subchapter 15, Chapter 3-122, HAR, has secured the required State approvals necessary to the amendment and an executed written contract amendment has been issued.

#### 5.25 CONTRACT INVALIDATION

If any provision of this contract is found to be invalid, such invalidation will not be construed to invalidate the entire contract.

## SECTION SIX

### EVALUATION AND CONTRACTOR SELECTION

6.01 Evaluation criteria: Evaluation criteria are listed in the relative order of importance. The award will be made to the responsive and responsible offeror whose proposal is determined to be the most advantageous to the State based on the following criteria:

- a. Experience and qualifications in the field of computer systems redesign development and implementation, 55 points maximum
- b. Work plan, 35 points maximum
- c. Pricing, 10 points maximum

6.02 Questions/formula upon which proposals shall be evaluated:

- a. Experience and Qualifications, 55 points maximum
  - (1) Do the individuals assigned to developing and implementing the redesign of Disability Compensation Information System (DCIS) have experience in redesigning information systems? (35 points)
  - (2) Is the proposal written in a manner that clearly defines previous experience and qualifications? (10 points maximum)
  - (3) Does the proposer have a general history of timely and successful completion of projects? (10 points maximum)
- b. Work plan, 35 points maximum
  - (1) Does the work plan provide a feasible timetable and project approach? (25 points maximum)
  - (2) Does the proposal demonstrate appreciation/understanding of the project? (10 points maximum)
- c. Contract cost, 10 points maximum

In converting cost to points the lowest proposal will automatically receive a maximum number of points allocated to cost, 10 points.

The point allocations for other proposals will be determined as follows:

$$\frac{\text{Price of the lowest cost proposal} \times 10}{\text{Price of proposal being rated}} = \text{Points}$$



SECTION SEVEN

ATTACHMENTS

7.01 Offer Form, page OF - 1

7.02 Offer Form, page OF - 2

7.03 Wage Certificate

SERVICES TO RE-ENGINEER  
THE DISABILITY COMPENSATION SYSTEM (DCIS) FOR THE  
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS  
RFP-98-138-O

Procurement Officer  
State Procurement Office  
State of Hawaii  
Honolulu, Hawaii 96813

Dear Sir:

The undersigned has carefully read and understands the terms and conditions specified in the Specifications and Special Provisions attached hereto, and in the General Terms and Conditions dated September 1, 1995 by reference made a part hereof and available upon request; and hereby submits the following offer to perform the work specified herein, all in accordance with the true intent and meaning thereof.

The undersigned further understands and agrees that by submitting this offer, 1) he/she is declaring his/her offer is not in violation of Chapter 84, Hawaii Revised Statutes, concerning prohibited State contracts, and 2) he/she is certifying that the price(s) submitted was (were) independently arrived at without collusion.

Date: _____	Respectfully submitted,
Telephone No.: _____	
Fax No.: _____	_____ Exact Legal Name of Offeror
Payment address, if other than street address at right: (Original)	_____ Authorized Signature
_____	_____ Title
_____	
Hawaii General Excise Tax Lic. I.D. No.: _____	_____ Street Address
Social Sec. or Federal I.D. No.: _____	_____ City, State, Zip Code

If offeror shown above is a "dba" or a "division" of a corporation, furnish the exact legal name of the corporation under which the contract, if awarded, will be executed:

Offeror is: \_\_\_\_ Individual \_\_\_\_ Partnership \_\_\_\_ Corporation \_\_\_\_  
\_\_\_\_ Joint Venture

State of incorporation: Hawaii \_\_\_\_\_ \*Other \_\_\_\_\_

\*If "other", is corporate seal available in Hawaii? \_\_\_\_ Yes \_\_\_\_ No

The following proposal for services to re-engineer the Disability Compensation Information System (DCIS) for the Department of Labor and Industrial Relations is hereby submitted:

TOTAL COST PROPOSAL:      \$\_\_\_\_\_

Offeror:\_\_\_\_\_

# WAGE CERTIFICATE

(For Service Contracts)

Subject: IFB/RFP No.: \_\_\_\_\_

Title of IFB/RFP: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_  
(To be completed by offeror)

Pursuant to Section 103-55, Hawaii Revised Statutes (HRS), I hereby certify that if awarded the contract in excess of \$5,000, the services to be performed will be performed under the following conditions:

1. The services to be rendered shall be performed by employees paid at wages or salaries not less than the wages paid to public officers and employees for similar work; and
2. All applicable laws of the federal and state governments relating to workers' compensation, unemployment compensation, payment of wages, and safety will be fully complied with.

I understand that failure to comply with the above conditions during the period of the contract shall result in cancellation of the contract, unless such noncompliance is corrected within a reasonable period as determined by the procurement officer. Payment in the final settlement of the contract or the release of bonds, if applicable, or both shall not be made unless the procurement officer has determined that the noncompliance has been corrected; and

I further understand that all payments required by Federal and State laws to be made by employers for the benefit of their employees are to be paid in addition to the base wage required by section 103-55, HRS.

Offeror \_\_\_\_\_

Signature \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_